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Report of the president
and directors of the Wilming-
ton + Raleigh railroad
1840



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FIFTH
ANNUAL REPORT

OF THE

PRESIDENT AND DIRECTORS

OF THE

WILMINGTON AND RALEIGH
RAIL ROAD COMPANY.

RALEIGH:

PRINTED AT THE OFFICE OF THE RALEIGH REGISTER.

1840.

Cp 385.1
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REPORT.

Since the meeting of the Stockholders in April last, the few accounts of Contractors, which had not then been received, have been adjusted, and from the statement A. of the Treasurer, it will be perceived that the cost of the line of the Rail Road and Steam Boats up to the 30th of that month was \$1,909,755 54.

There has since been charged to "construction of Road," including Foundry, Blacksmith's Shop, Engines, Cars, Iron, materials, &c. \$37,069 81. Statement B. exhibits the affairs of the Company from its commencement to the 31st October.

The amount of Stock subscribed by the					
State is	-	-	-	-	\$600,000
By individuals	-	-	-	-	\$755,450
Total	-	-	-	-	<u>\$1,355,450</u>
The amount paid	-	-	-	-	<u>\$1,325,887 82</u>
Leaving the balance due from individuals					29,562 18
Deduct for insolvents	-	-	-	-	8,824
Balance due, considered perfectly safe					<u>\$20,738 18</u>

The liabilities of the Company are for its Bonds sold in England, bearing 5 per cent. interest, and payable in 1858, \$222,666 67

Bonds to the State, payable

1845-'50, - - - \$85,000, \$307,666 67

Directors' Notes at Banks of North Carolina, - - - \$77,684 52

Carried over, - - - \$77,684 52

4 WILMINGTON AND RALEIGH RAIL ROAD COMPANY.

Brought over,	\$77,684 52
Scrip to Contractors -	\$180,162 62
Notes and Bills to sundry per-	
sons for Iron and Engines, \$118,567 14,	\$376,414 28
	<hr/>
	\$684,080 95

Its means are the Capital unsold, \$144,500

Amount due from Stockholders, \$20,738 18

Due from General Post Office, \$11,665 57

Petersburg and Portsmouth

R. R. Company, - - \$2,963 03

Amount Bills receivable, - \$11,922 38

In hands of Agents, - \$15,597 33

Estimated income from the line, \$141,955 \$349,341 49

No hope is entertained that the remaining Capital can be disposed of at present, unless the State will agree to take it; nor can we rely with certainty on the estimated income from the Road, that being only conjectural and liable to fluctuation.

By comparing the number of persons who passed over the line, in the half year of 1839, corresponding to the same period of the present year, we find the increase to be as 5,965 to 5,049, or as 33 to 28 per day. If, then, we assume the number who will travel over it next year at 40 per day, which will be in about the proportion of the above comparison, it will yield per annum \$292,000

The Mail,	- - - - - -	\$40,000
Freights,	- - - - - -	\$25,000

The increase for the year will be - \$357,000

Above amount carried over.

WILMINGTON AND RALEIGH RAIL ROAD COMPANY.

Brought over,	-	-	-	-	-	\$357,000
Deduct expenses of the time						
per annum,	-	-	-			\$180,000
Interest on \$621,194, <i>a</i> 5						
and 6 per cent.	-	-	-			\$38,045, \$215,045
						<hr/>
The net Annual Revenue will be	-	-				\$141,955

equal to $10\frac{1}{2}$ per cent. per annum on the Capital subscribed. If to this rule it be objected, that the Rail Road was not completed in 1839, it must still be admitted that it was the most comfortable and expeditious route through the State, and had its full share of patronage. But as it is admitted by all the Southern carriers, and confirmed by the Northern Rail Road and Steam Boat Companies, and by reference to the Hotels of their Cities, that fewer persons have travelled between the North and South the present year than did in 1839, we have no fears (with such proof of the increasing popularity of the route) that our estimates will not be sustained. It is, also, to be borne in mind, that the Rail Roads through Georgia are extending rapidly, and that in the course of two years, there will be a continuous line to the Alabama River.—State facilities are increasing with them, and main routs are being established. The superior line of Steamboats, recently placed on the Gulf of Mexico, connecting with the Roads of Georgia, the Cities from St. Joseph to New Orleans, will tempt many of the thousands who now go to the North by the Western Rivers, to turn this way.—In this view of the subject, we may safely estimate the future revenue in a greater ratio of increase, than would be shewn by a reference back; and from the indications of returning confidence, and the revival of business

throughout the country upon a sound basis, it would be no exaggeration to set down the increase for the next year or two at fifty per cent. above the present, or at 50 Passengers per day. In relation to delinquent Stockholders, the Board have had a delicate part to perform. Among them are some of the most zealous and active friends and promoters of the enterprise, who, from causes not anticipated and unavoidable, have been unable to comply with the requisitions for their last Instalment.— The pressure of the money crisis, of which we are all sensible, has paralyzed the exertions of those, who, having but little capital, are not unfrequently the most liberal promoters of public improvements.

Our country never enjoyed a time of greater prosperity than when this enterprise was commenced. Its Treasury was full and every branch of business prosperous.— It was an epoch in the history of North Carolina. Her citizens were projecting the first important improvement which had been attempted in the State, and the incentive to enterprize was so strong, that some were tempted to subscribe for a larger amount of Stock than prudence would perhaps have suggested. The reaction in the monetary affairs of the country, the consequent fall in the price of produce and property of every description, and the general stagnation of business to an extent which none had conceived of, has oppressed all classes.

To the Stockholders who have made full payment upon their Shares it seemed due to enforce collection of all ; but, from the spirit of forbearance, and sympathy for the debtor portion of the community, which has been manifested among individuals as well as by Corporations, the Board felt it to be their duty to forbear. Had a dif-

ferent course been pursued, and collections enforced by distress, it would not only have brought odium on the Corporation, but, by obliging the Shareholders to part with their Stock to any extent, would have operated unfavourably upon the value of the Stock of the Company. Neither did the situation of the Company seem to require such rigor as would have compelled the sacrifice of property to five or ten times the value of the deficit.

By the statement C. of the General Agent, it will appear that the gross receipts for the last six months was

\$152,424 84

Deduct expenses as per abstract, \$89,064 23

Negro hire not included in do. 6,000, \$95,064 23

And the net Revenue is - - - \$57,360 61

From this statement, it will appear that if the net Revenue could be divided among the Stockholders, the dividend for the half year would be about $4\frac{1}{4}$ per cent. on the Capital subscribed, and the amount paid to the State on 6,000 Shares would be \$25,500.

But, as the cost of the Line, (including real estate, materials on hand, &c.) exceeds by \$684,000 the amount subscribed, the surplus revenue has been applied, and must continue to be appropriated to the gradual extinguishment of the debt, unless a portion of it can be gradually provided for. And, unless that is promptly done, it is to be apprehended, that not only will the Company be liable to be harassed with Lawsuits, but that some of its creditors will suffer much inconvenience and distress.

It is but just to remark, that as the Road has been finished but seven months, its success has realized the sanguine expectations of its Shareholders, and that from the

computations submitted, the investment must prove to be profitable. Having shewn this to be so, we may confidently appeal to the Legislature for aid.

In less than four years, of great pecuniary embarrassment, we have accomplished a work of greater extent than exists in any other State of the Union, and which would have been creditable to the wealthiest Corporations of the Country. Its advantages are enjoyed and extend through a large section of the State; and, in a national point of view, it stands first.

The pressing demands against the Company are for Notes discounted by the Banks of the State, \$77,684 52

Scrip to Contractors, due in 1840-'41, and	
first quarter of 1842, - - -	\$180,162 62
Bills and Notes for Iron, Engines, Cars, &c.	\$118,567 14

\$376,414 28

Deduct available means of the Company, viz:

Amount due from General

Post Office, - - -	\$11,665 57
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“ “ from Stockholders,	\$20,738
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“ “ Petersburg and	
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Portsmouth R. R. Companies,

and others, - - -	\$2,963
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Bills receivable, - -	\$11,922 38
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In hands of Agents, - -	\$15,597 33, \$62,886 28
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And the pressing demands are for - \$313,528

By the consolidation and postponement of this amount, the State would be as much benefited as individuals.— Upon the Bonds of the Corporation alone it will be impossible to borrow money except upon such terms as no solvent institution ought to submit to.

But if the State guarantee the Bonds of the Company for about \$320,000, it can readily be obtained, from our own citizens, who will otherwise send their money out of the State to be invested, or, perhaps on better terms from Capitalists abroad. The State, as well as individuals, would then receive regular dividends upon their stock; and what is equally or more important to the Corporation, the value of its stock would be enhanced and placed beyond the influence and control of Bankers and Speculators.

If we might apprehend disappointment in our reasonable hope of succour from the Legislature, what will be the condition of the Company? With a Capital of \$1,350,000 actually paid in and secured, *and property worth over two millions of dollars*, the net revenue, instead of being divided among the Stockholders, must be kept back and appropriated to the discharge of the debt: which being accomplished, will raise the actual par value of the Stock to \$150, or 50 per cent. above its original price. To the Stockjobber it will afford a rich harvest, but it will prove a cruel blight to the original subscriber, who having contributed his money and his credit at the most critical juncture of the enterprize, must now, with the prospect of a fair remuneration opening before him, incur disappointment and heavy loss, by the necessity which compels him to a premature sale of his Stock.

Except 266 shares (\$266,600) the Stock is owned entirely by the State and its citizens, many of whom, including the widow and the orphan, have so large a portion of their means invested in it, that unless they are allowed some return on their investment, will be compelled to dispose of their Stock, under present circumstan-

ces, at a ruinous sacrifice; and we maintain it with no invidious intent, that whilst the loss from insolvent subscribers residing in the State is less than $\frac{1}{2}$ per cent. that from non-residents is $20\frac{1}{4}$ per cent. upon the amount subscribed by them. But as the Stock of insolvents will revert to the Company, the loss will be less than the inconvenience to which we are temporarily subjected by their inability to pay.

It is no less our particular desire than our duty to provide for the payment of scrip issued to contractors. For the speedy completion of the Rail Road, we are indebted to many public spirited gentlemen, residing mostly in the counties of Nash and Edgecomb who, with no other motive than to expedite the work, with great liberality proposed to take contracts to be settled for by the Scrip of the Company. Except upon these terms, its prosecution was impracticable, and further operations must forthwith have ceased. But relying on the ability of the Company to meet its engagements punctually, the balance of the Road (about 58 miles,) was put under contract to be paid for in part, in Scrip bearing 6 per cent. interest, and payable one and two years from the date of its issue; and having also consented to furnish all the materials, except Iron, their Cash advances have been larger than were anticipated. These issues are now becoming due, and will fall due monthly throughout the present year, the year 1841, and a quarter of 1842; and we have no other means of meeting them, with other demands against us, than the accruing revenue from the line, which is inadequate.

If a loan can be effected by the Company, prudence would suggest the necessity of reserving annually a portion of the net revenue as a fund for its ultimate or grad-

ual redemption. In that event, it is confidently believed, that 6 per cent. may be paid annually upon the stock, leaving a balance of from 2 to 6 per cent. to be transferred to the Sinking Fund.

A large addition has been made to the Machine-shop for Forges and a Foundry, without which, we are compelled to send abroad at great expense and delay, for Castings, &c. And to a line of the extent and magnitude of this, such an establishment is indispensable. We are now able to furnish such Castings as may be required for Steamboats, Engines, &c. of a better quality, and at less expense, than have been heretofore procured.

The Company now own 14 Engines, with an ample supply of Passenger and Freight Cars, which, except one Engine, are in good order, or requiring very slight repairs: so that the present motive-power is sufficient for the transportation of double the number of passengers that have been transported during the past year.

Through the mediation of a Committee from the Board, the Portsmouth Rail Road Company, which had recently become Proprietors of the Weldon Toll Bridge, have sold one-half of the Bridge and Rail Road from Weldon to Garey's; 4-10ths to be paid for by the Petersburg Company, and one-tenth by this Company; for which the Company's bond is to be given for \$10,000, payable three years after the execution of the title deed. A free connection is thereby secured with both the Petersburg and Portsmouth Roads, and the vexatious delays and interruptions to which our planters and merchants, as well as travellers, have been subjected at the Roanoke, will occur no more.

An idle report having obtained currency that "the

effects of the Company;" or, according to another version of it, "the money paid by the State, had been mortgaged in England, in order to obtain a loan there;" whether it emanates from ignorance or malice, or from personal views, the Board deem it their duty to contradict as *totally unfounded*. No lien was given, or other security required for the money borrowed, than *the bonds of the Company*. And it is just cause of pride, that they were sold at a higher valuation than has since been obtained or offered for the Bonds of several of the States.

In presenting this statement of the affairs of the Company, the Board have only to regret their inability to provide funds commensurate with the more pressing demands against it. To that subject they beg leave to call your particular attention.

Respectfully submitted, by order of the Board.

JAS. OWEN, *Pres't*.

Nov. 9th, 1840.

REPORT OF COMMITTEE.

The Committee to whom were referred the Report of the President of your Company, respectfully submit,

That on full examination of the statements contained therein, we take great pleasure in giving our testimony to their correctness, and our cordial approbation of the mode of relief pointed out by that Report for the wants of the Company.

In making up our opinion as to the *best* mode of meeting the present, and pressing wants of the Company, the Committee have looked only to those of its debts which are *now* due, and which, from the peculiar circumstances under which they were made, and the many motives which should and do urge their payment, require on the part of the Company all honorable exertion to meet them.

For the laudable purpose of completing the Road at the earliest practicable time, a part of the Stockholders, as stated by your President, became contractors, and contributed largely out of their private means to its speedy completion. They advanced their *credit*, as well as capital, to facilitate that completion, and for which they received from the Company its Scrip, bearing interest, and payable at different periods. This Scrip, it was the expectation of both the Company and Contractors, could be paid, when due, and if so, there would be no distress felt by either party. Much of this Scrip is *now* due, and it is very much regretted that the Company have failed in all their efforts to raise the means to meet it.—The consequence is, that the credit of both the Company and the Contractors has been assailed and impaired. In

the case of some Stockholders who had become Contractors, it has borne most heavily, as several of them have had to raise funds to meet debts contracted for the Road at a considerable sacrifice of property.

Under these circumstances, and urged on by these considerations, without going into further detail, the Committee have been most zealous and inquisitive in seeking for means by which the Company might most easily and most readily discharge this debt of gratitude as well as justice.

In the present general want of money, and the utter inability to raise it, however good the security, for simple interest, we can point out no speedier or better mode of obtaining it than by application to the Legislature, as recommended by your President, for aid, by loan of cash or credit.

Your Committee furthermore are pleased to learn, that as fast as the receipts of the Company accumulate beyond the necessary means to continue the line in operation, it is devoted to the payment of those debts, which for these circumstances of individual liability, seem to call so loudly and so constantly on its claims and punctuality.

All which is most respectfully submitted.

C. C. BATTLE,
JAS. S. BATTLE,
JNO. F. BELLAMY,
WILLIS HALL,
L. H. B. WHITAKER,
LEVIN LANE,
THOS. COWAN,

Committee.

WILMINGTON, Nov. 10, 1840.

REPORT ON ACCOUNTS.

The undersigned Committee, appointed at the last annual meeting of the Stockholders of the Wilmington and Raleigh Rail Road Company, to examine the Secretary and Treasurer's Accounts for the past year, beg leave to

REPORT,

That they have done so, and found no charge made against the Company without properly authenticated vouchers; and so far as your Committee have been able to ascertain, the Accounts are correct, and accurately stated, in the annual Report of the Secretary and Treasurer, which have been made up to the 1st instant, to which your Committee beg leave to refer, as forming the only Report which they have to make relative to the affairs of the Company.

Your Committee take pleasure in expressing their entire satisfaction with the condition of this part of the Company's service. The Books are well, and neatly kept; every facility and explanation was afforded by the Secretary and his assistant, by whom the most rigid scrutiny of the accounts was urged.

All which is respectfully submitted.

JOHN McRAE,
H. NUTT,
W. LATIMER.

WILMINGTON, N. C. Nov. 23d, 1840.



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